Finbee performance report
2022 Q4

Finbee CEO insights

" *Last year, together with you, **we financed 32.8 million euro loans** on our platform. The amount of disbursed consumer loans amounted to 17.6 million euros and was 39 percent higher than in 2021. We paid out 15.2 million business loans. euros and we have seen 90 percent growth compared to 2021. **We ended the year with a record** - the amount of loans disbursed in December exceeded 3.5 million euros.*

Although we expected an increase in the number of late customers during the winter season and actively prepared for it, the share of customers paying loan installments on time remains stable. "

Darius Noreika, CFA

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Platformos updates

"In 2022 Q4 we introduced the following important innovations to our investors:

- **The ability to top up Finbee accounts more conveniently.** *From now on, both investors and borrowers can top up their accounts directly from their bank. We planned to introduce instant account top-up as well, we created the necessary functionality for this on our platform, but due to risk management we have not activated this function yet;*

- **Possibility for new investors to confirm their identity with a qualified electronic signature (Smart-ID or Mobile-ID).** *From now on, if you want to start investing through our platform, you can do it more easily. I hope that this opportunity will not only facilitate the registration of new investors, but also encourage previously registered investors who have not verified their identity to start investing.*

- **We introduced [best P2P calculator ever]**.. *For your convenience, we have prepared a calculator where you can check the efficiency of your lending criteria for consumer loans and look for even more profitable investment settings.*"

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Product updates

"
- **Partnership with Klix.** We became the first peer-to-peer lending platform in Lithuania that offered customers the service of Buy Now, Pay Later.
- **We have improved the system of continuous customer monitoring,** in order to ensure compliance with the requirements of legislation on the prevention of money laundering and terrorist financing. This change is not visible to customers, but it is extremely important for the security of our platform;
- **We have automated the credit scoring of consumer loans.** Currently, some of our consumer loan applications are evaluated in a fully automatic way, which allows us to serve customers more efficiently and thus increase the quality of customer service. More happy Finbee customers means more investment opportunities.
- **A more convenient business loan application process.** From now on, business clients can submit the documents required for loan evaluation more easily. It's simpler, so we can present a business loan offer to customers much faster. "

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Upcoming plans

" *This quarter, we plan to **further facilitate the payment of loan installments** for our customers, which will further reduce the number of late customers. We plan to **improve the consumer loan application process** by making more active use of the developed automatic credit scoring solution. In this way, we will offer our customers a quick response regarding the loan, which will further increase the amount of loans issued and thus create an opportunity for you to invest. We will carry out other important but invisible improvements to the Finbee platform that will increase the security of our platform.*

In Q4 together with you, we invested 2.3 million euros in consumer and business loans, part of which we transferred to the nordIX fund.

Thank you for trusting and being together! *We will continue to strive to grow and provide our investors with security, promptness, professional support and, of course, competitive returns.* "
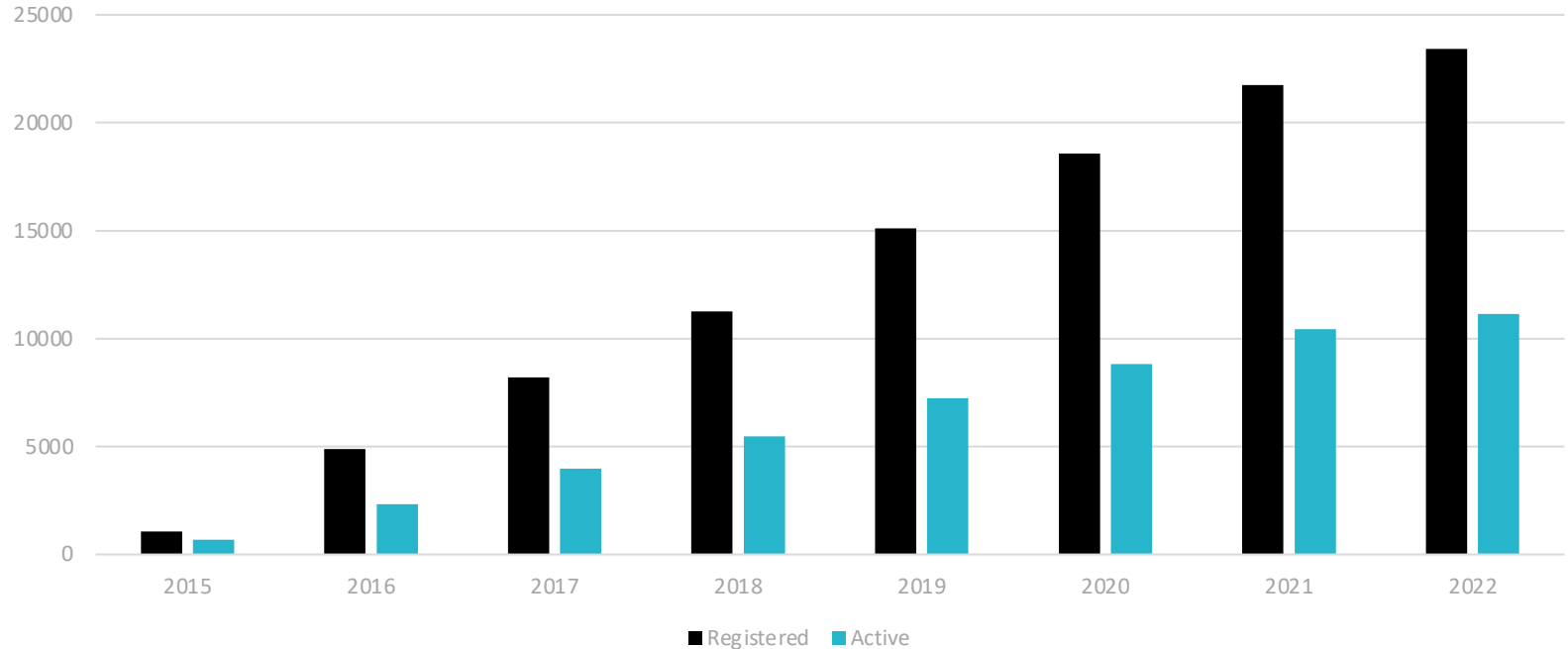
Darius Noreika, CFA

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Our investors

24.075

The amount of registered investors at the end of 2022 Q4. More than **11.000** of our investors have made **at least one investment.**

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Where are you?

Where do you rank by portfolio size?

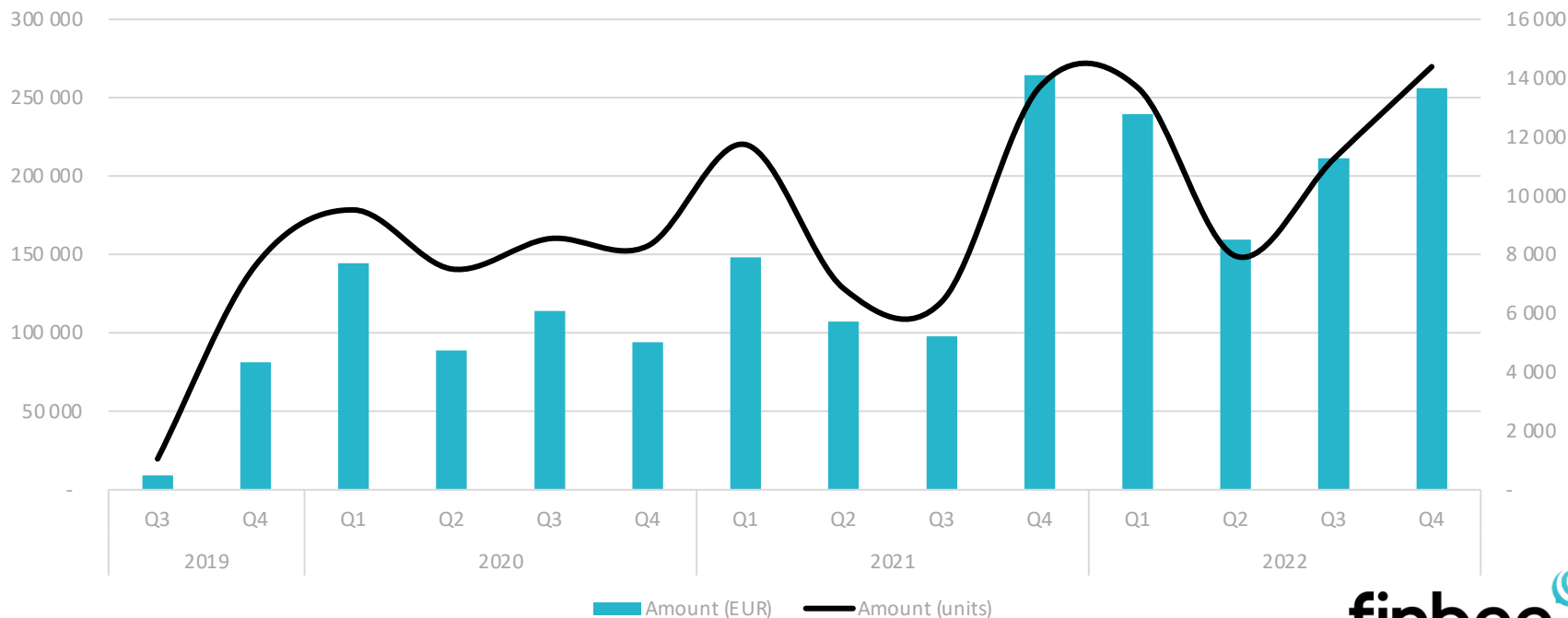| Vieta	Portfelio dydis	Q3
TOP legal entity	4.373.000 Eur	⬆ 30%
TOP private investor	483.256 Eur	⬆ 4%
Top 10% active*	5.763 Eur	
Top 50% active*	619 Eur	
Top 90% active*	58 Eur	

Among those who invested in at least one loan in 2022

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Secondary market statistics

Active year

866.265 Eur

The amount of loans bought in secondary market during 2022. The amount of transactions grew by 22% and the **turnover - 40%**! That shows **increasing liquidity** on our platform.

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2019		2020				2021				2022			

■ Amount (EUR) —— Amount (units)

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Where are you?

Where do you rank by secondary market trade volume in 2022?

Position	Bought	Sold
TOP	90.996 Eur	140.499 Eur
TOP 10%	1.953 Eur	1.392 Eur
TOP 50%	56 Eur	79 Eur
TOP 90%	5 Eur	6 Eur

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We know that we generate great returns for our hive and **we invest together!**

Finbee co-investment

In 2022 Q4 we invested together:

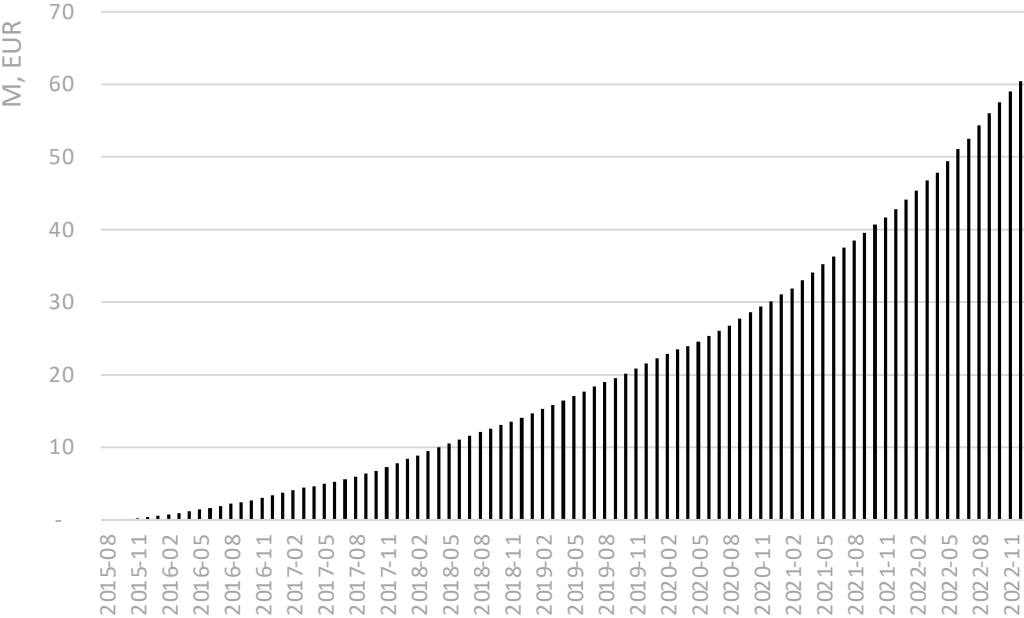**0,87M EUR**
to consumer loans

1,42M EUR
to business loans

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Consumer loan portfolio

34% average YoY growth

7 years
in the market

21.818 units ↑ 28%*
loans issued

60M EUR ↑ 39%*
loans issued

2.778 EUR ↑ 11%*
average loan amount

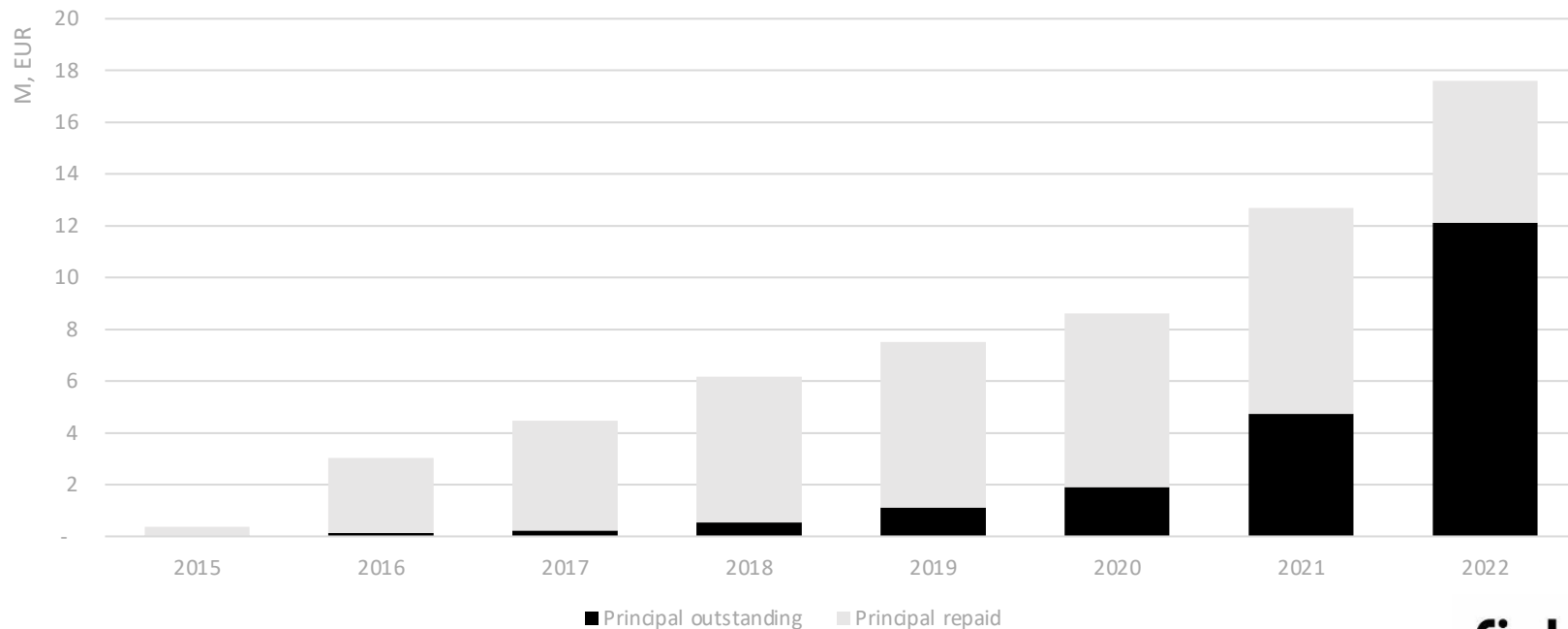**10,2M EUR** ↑ 27%*
interest paid to investors

* Compared to 2021.12.31

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Loan volume

20,8M EUR ⬆ 35%*

active loan portfolio at 2022.12.31

26 months

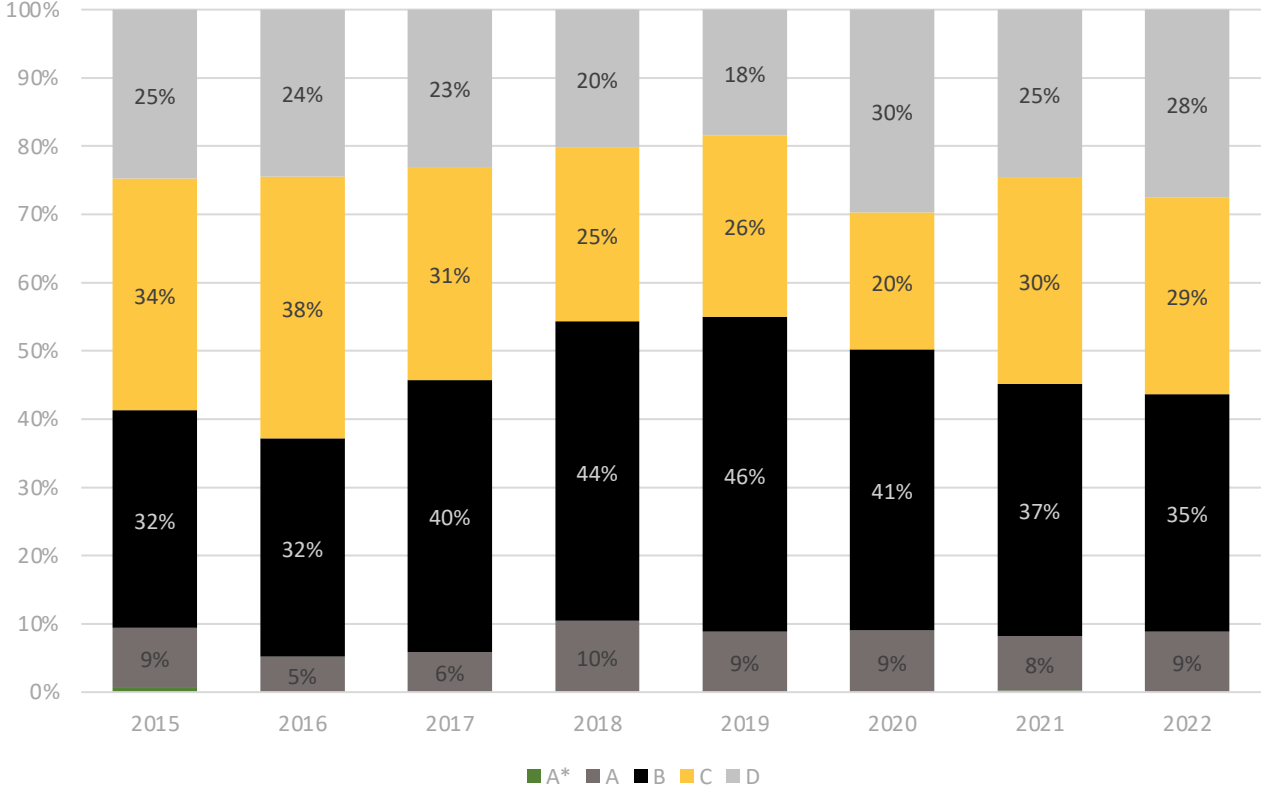average loan duration

■ Principal outstanding ■ Principal repaid

* Compared to 2021.12..31

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Distribution of loans, by rating, %

44% of loans in 2022 we issued to low and very low risk clients

A* - lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.

A – very low risk customers. Low probability of default.

B – low risk customers. Small delays are likely, but offset by a higher interest rate.

C – medium risk customers. Higher delays and defaults are likely. This is compensated by customers paying a higher interest rate.

D – High risk customers. High likelihood of solvency problems for the customer, but the risk is compensated by a high interest rate. Historically generates the highest returns for investors.
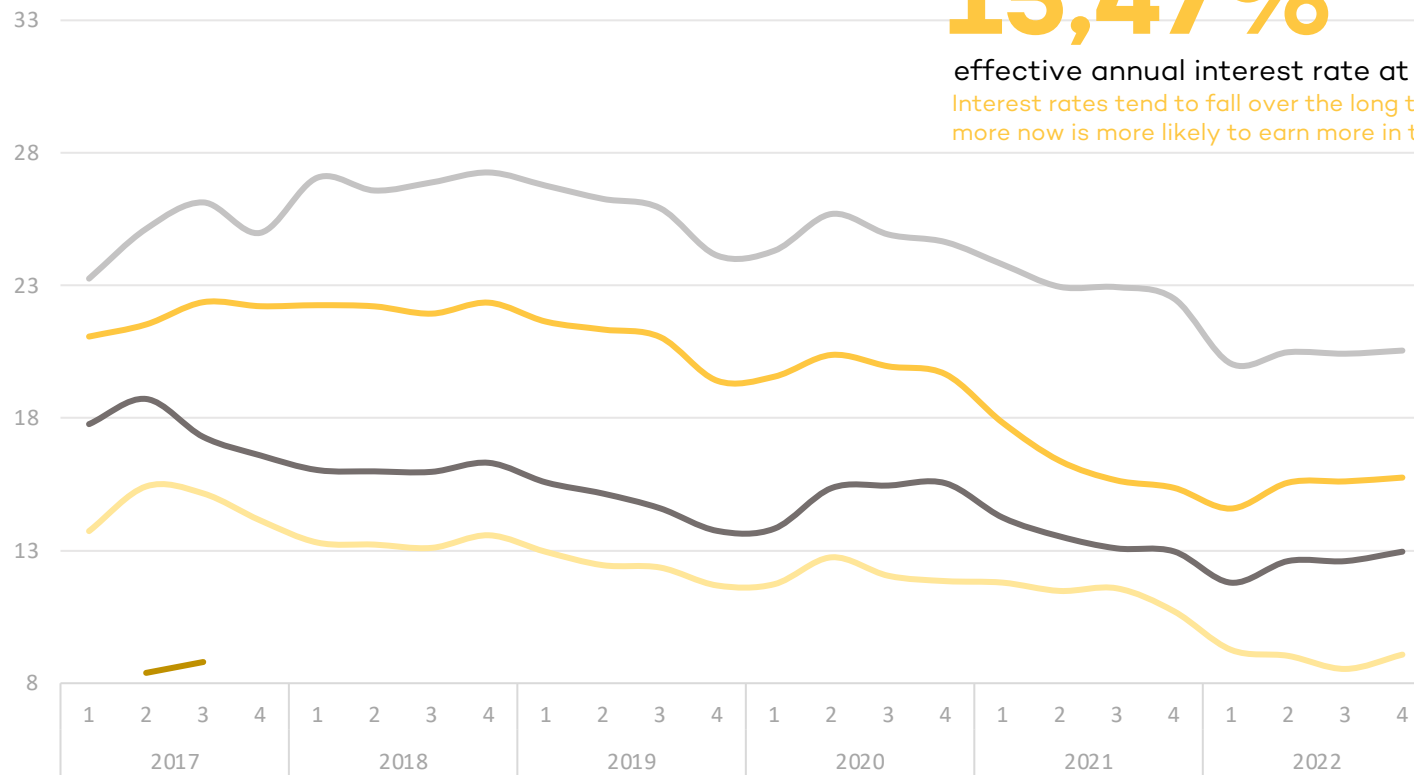
■ A* ■ A ■ B ■ C ■ D

Interest rate, %

15,47% ↑ **5%** **

effective annual interest rate at 2022.12.31*

Interest rates tend to fall over the long term, therefore, investing more now is more likely to earn more in the future
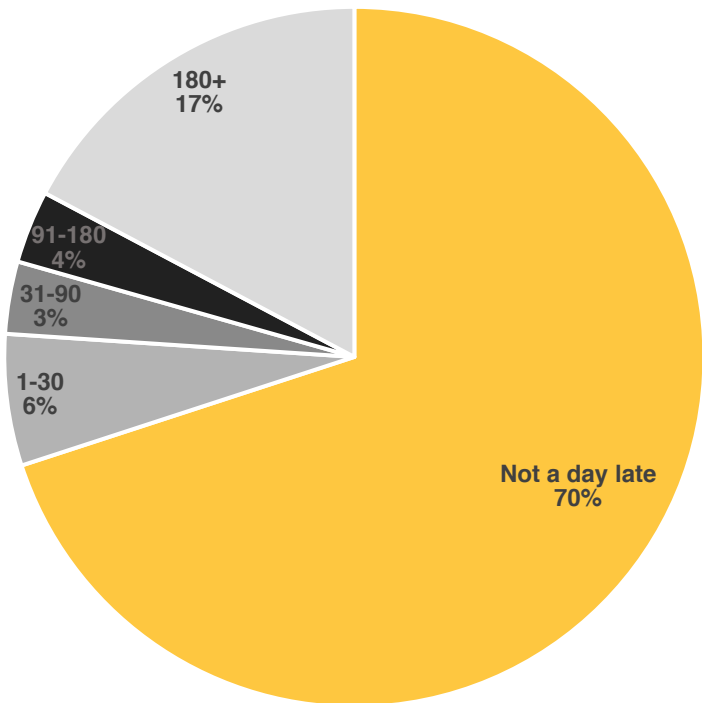
*The effective interest rate reflects the actual rate of return on the investment, net of interest.

Legend: A* — A — B — C — D

** Compared to 2022.03..30

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Portfolio composition
by days late, units

70% borrowers not a day late

180+
17%

91-180
4%

31-90
3%

1-30
6%

Not a day late
70%

70%
not a day late

86,1%
borrowers made a payment in the last 30 days

3%
loans originated in 2022 have defaulted

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Active debt prevention

In Q4:

75.957 emails and **26.625** text messages sent to borrowers

We made **6.099** calls to late borrowers (business loans included)

128 contracts terminated

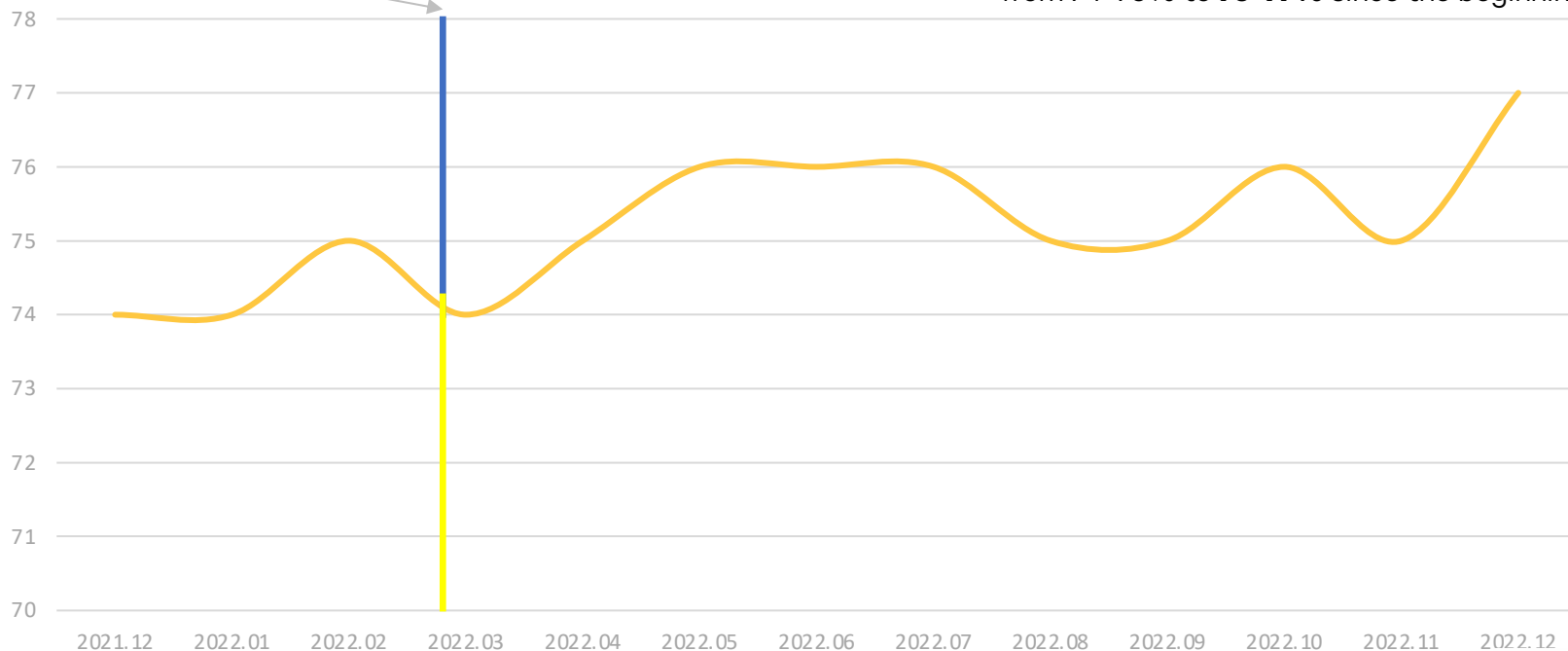**151** borrowers put to court

Recovery

How do we deal with late borrowers?

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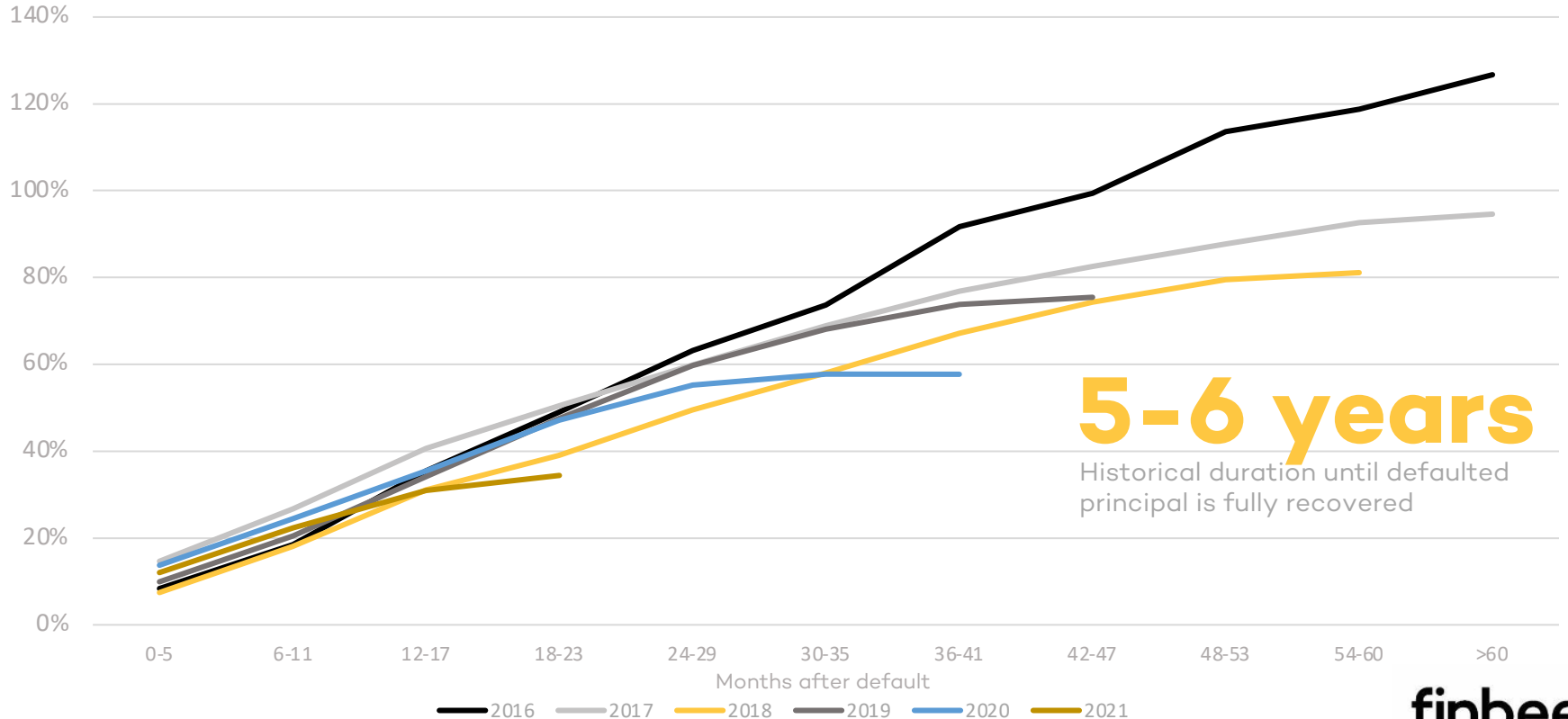# War in Ukraine impact on customer payments

Instalments paid on time, %

Start of war,
2022.02.24

The share of instalments paid on time has **increased** from 74-75% to **75-77%** since the beginning of war

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Loans recovered

during equal number of months after the start of recovery, % of outstanding principal at default

5-6 years

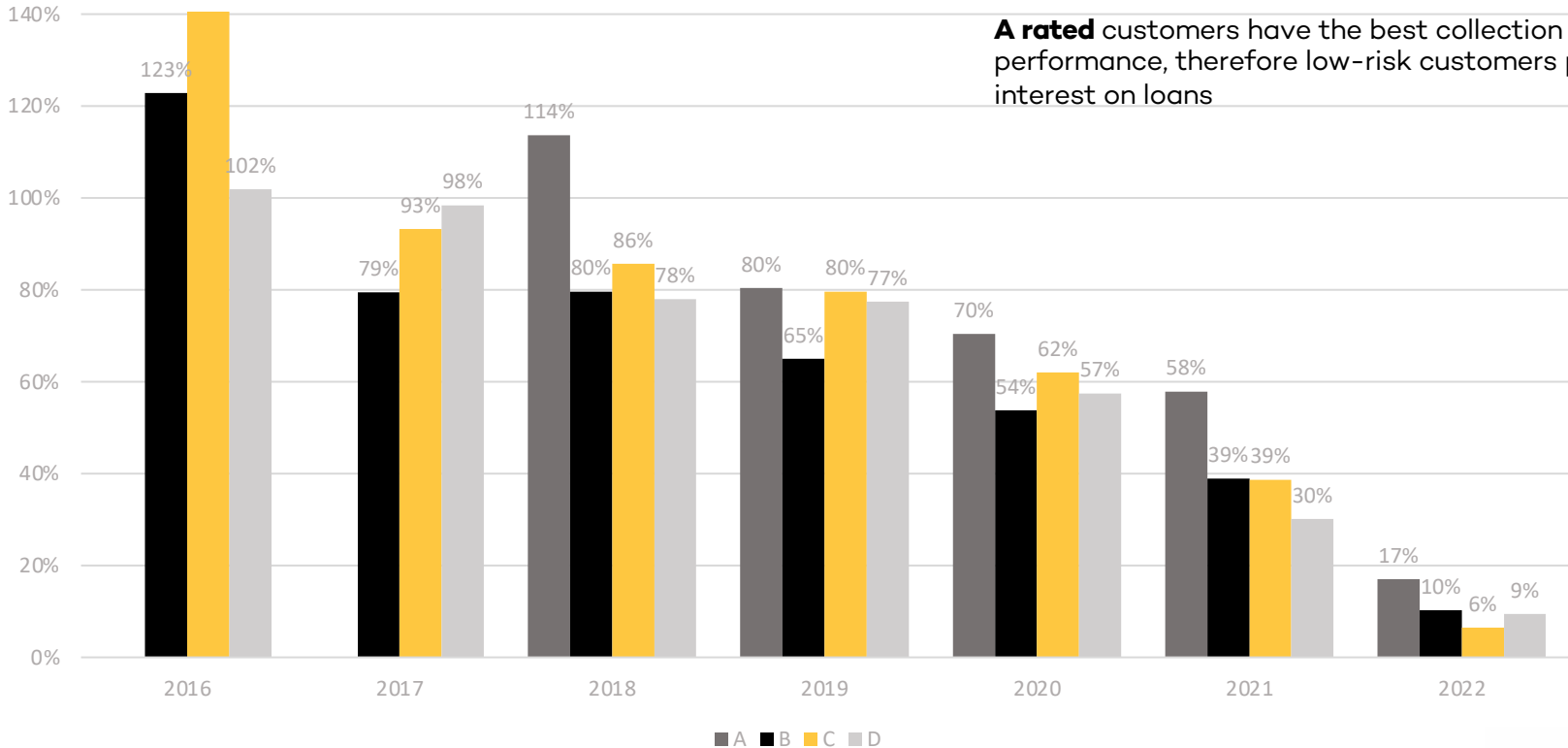Historical duration until defaulted principal is fully recovered

Months after default

2016   2017   2018   2019   2020   2021

A recovery of more than 100% means that we have recovered not only the loan principal but also the interest.

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Debt collection performance, by rating

Debt collected, % of outstanding principal at default

A rated customers have the best collection performance, therefore low-risk customers pay lower interest on loans

	A	B	C	D
2016		123%	140%	102%
2017		79%	93%	98%
2018	114%	80%	86%	78%
2019	80%	65%	80%	77%
2020	70%	54%	62%	57%
2021	58%	39%	39%	30%
2022	17%	10%	6%	9%

■ A ■ B ■ C ■ D

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Return on loan portfolio
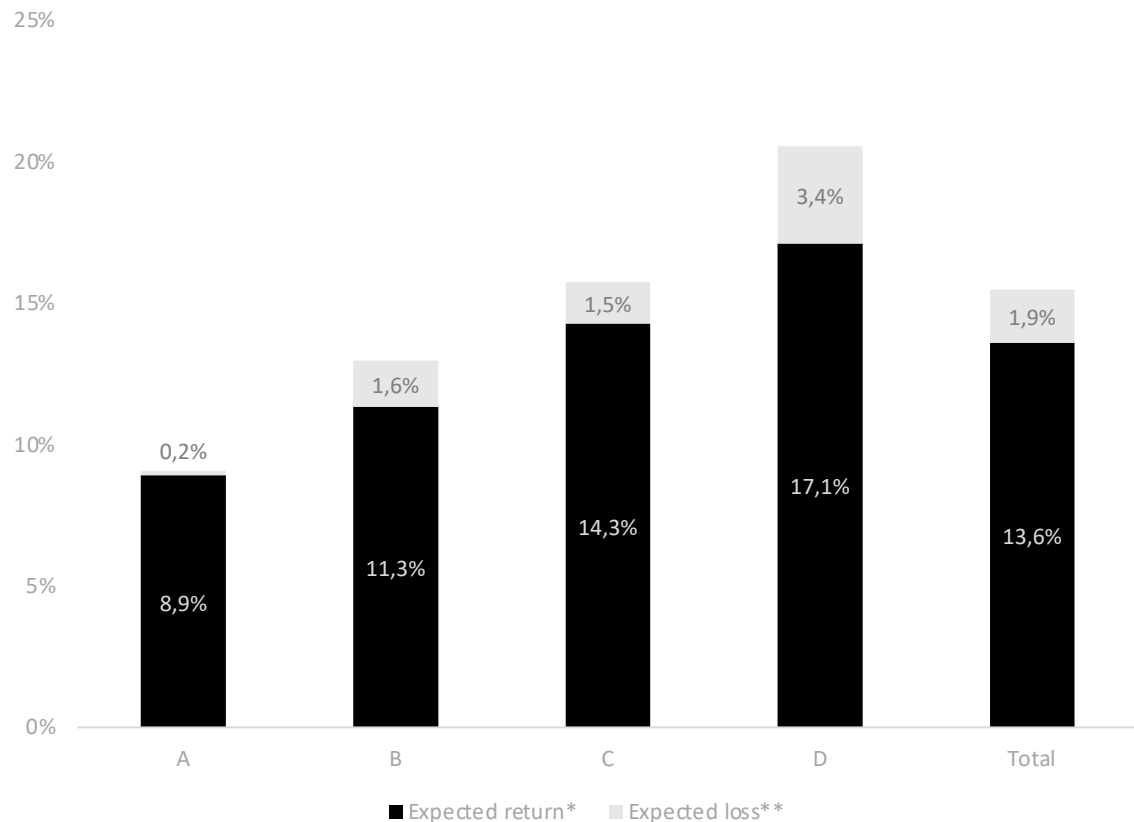
13,6%

Return on consumer loan portfolio

* The expected return is calculated as : Weighted average interest rate (%) – expected loss (%) on the original loan amount

** Expected loss (%) = PDw x EAD x (1-RR)

PDw: Probability of default (%) = Number of defaulted loans at origination / Number of toal loans originated

EAD: Loan balance at the date of the first default moment (%) = Loan balance at the time of default / Loan amount at origination

RR: Recovery rate, the proportion (%), that is recovered on the loan balance at the time of default = Amount recovered after default events / EAD

Chart: Expected return* and Expected loss** by grade

Grade	Expected return*	Expected loss**
A	8,9%	0,2%
B	11,3%	1,6%
C	14,3%	1,5%
D	17,1%	3,4%
Total	13,6%	1,9%

■ Expected return*   ■ Expected loss**

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Business loans

Finbee Business CEO insights

"

The year 2022, which has just ended, was truly extraordinary: from the war that started at the beginning of the year, which radically changed the geopolitical situation around the world, to many other challenges that cause uncertainty until now - record-breaking annual inflation, increased costs of energy and raw materials, and a fall in Lithuanian consumer confidence.

*Taking into account the economic situation, we have started to evaluate applications from certain sectors, such as construction, logistics, restaurants or hotel companies, **a little more conservatively.***

*Until now, we often additionally ask **to share** signed contracts of ongoing projects and preliminary contracts of future projects in order to assess the company's future cash flows.*

"

Tomas Mačiulaitis

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" The changed economic situation also adjusted the interest rate of new laons - last year the average interest rate was 11,9 percent in the first quarter, and **14,2 percent** in the last quarter.

We always lend responsibly in order to protect our investors' money from potentially higher risks. But despite this, we are seeing more and more better, less risky and responsible companies reaching out to us.

This is evidenced by the results:

• at the end of the year, our customers **paid loan installments better** than at the beginning of 2022 - in December, 88% of customers paid instalments without any delay,
• the share of non-performing loans remains stable, and recovery is effective - we have already **recovered 84 percent** of the loans whose contracts we terminated in 2021,
• the expected return for investors remains double-digit - **about 12 percent.**

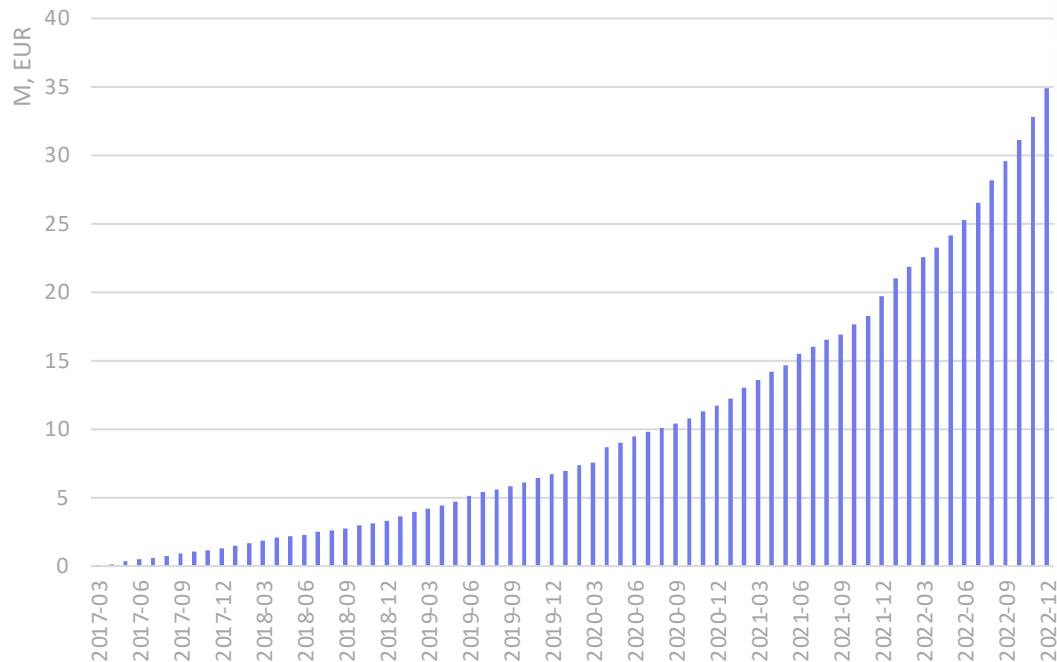We are happy to contribute to your success stories.

Thank you again for your trust. We hope that the coming year 2023 will be less unpredictable and allow for even stronger growth. "

Growing
interest rate

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Our business loans

64% average YoY growth

M, EUR

40
35
30
25
20
15
10
5
0

2017-03 2017-06 2017-09 2017-12 2018-03 2018-06 2018-09 2018-12 2019-03 2019-06 2019-09 2019-12 2020-03 2020-06 2020-09 2020-12 2021-03 2021-06 2021-09 2021-12 2022-03 2022-06 2022-09 2022-12

6 years
in the market

2.787 units ⬆ 12%*
loans issued

34M EUR ⬆ 20%*
loans issued

12.533 EUR ⬆ 5%*
average amount

2.5M EUR ⬆ 19%*
interest paid to the investors

* Compared to 2022.09.30

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Loan volume

14,5M EUR ⬆**130%**[*]

active loan portfolio at 2022.12.31

20 months
average loan duration

* Compared to 2021.12..31

Principal remaining   Principal repaid

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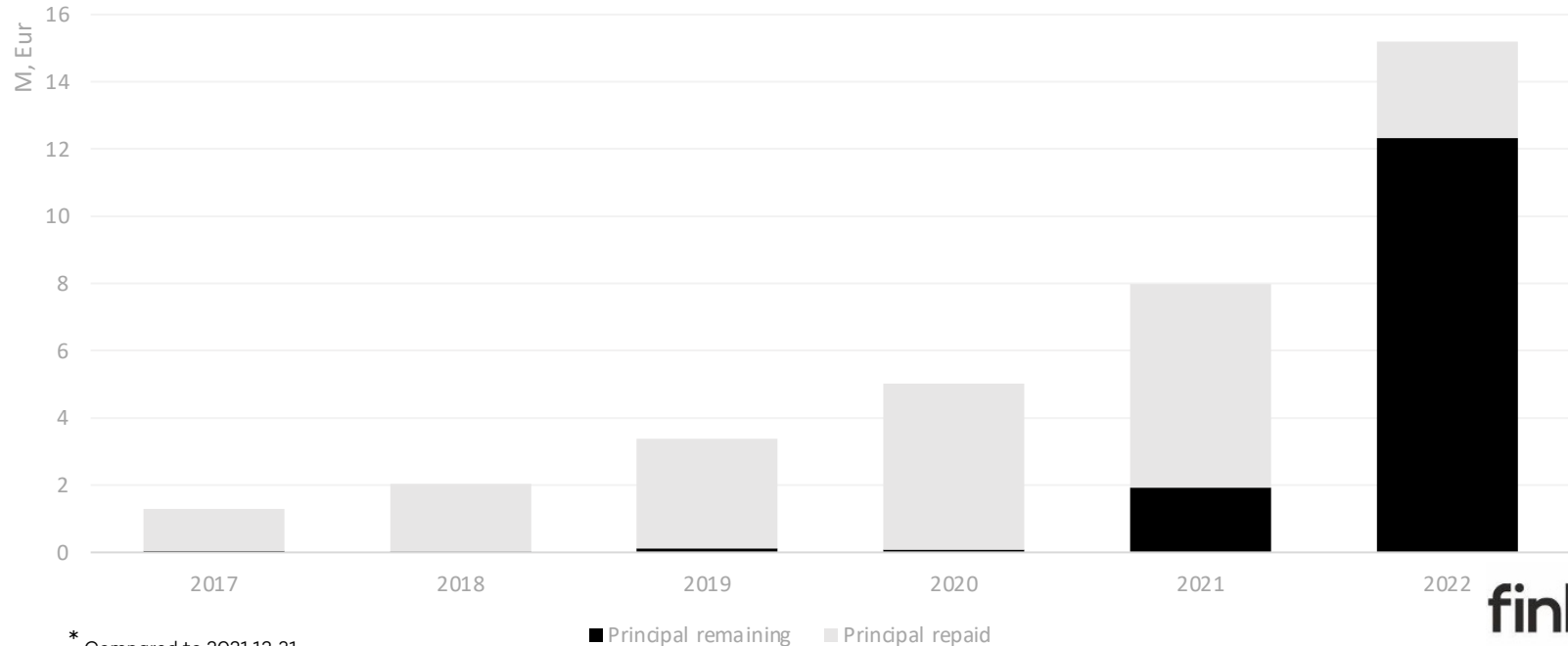
Business loans by rating, %

Stable portfolio
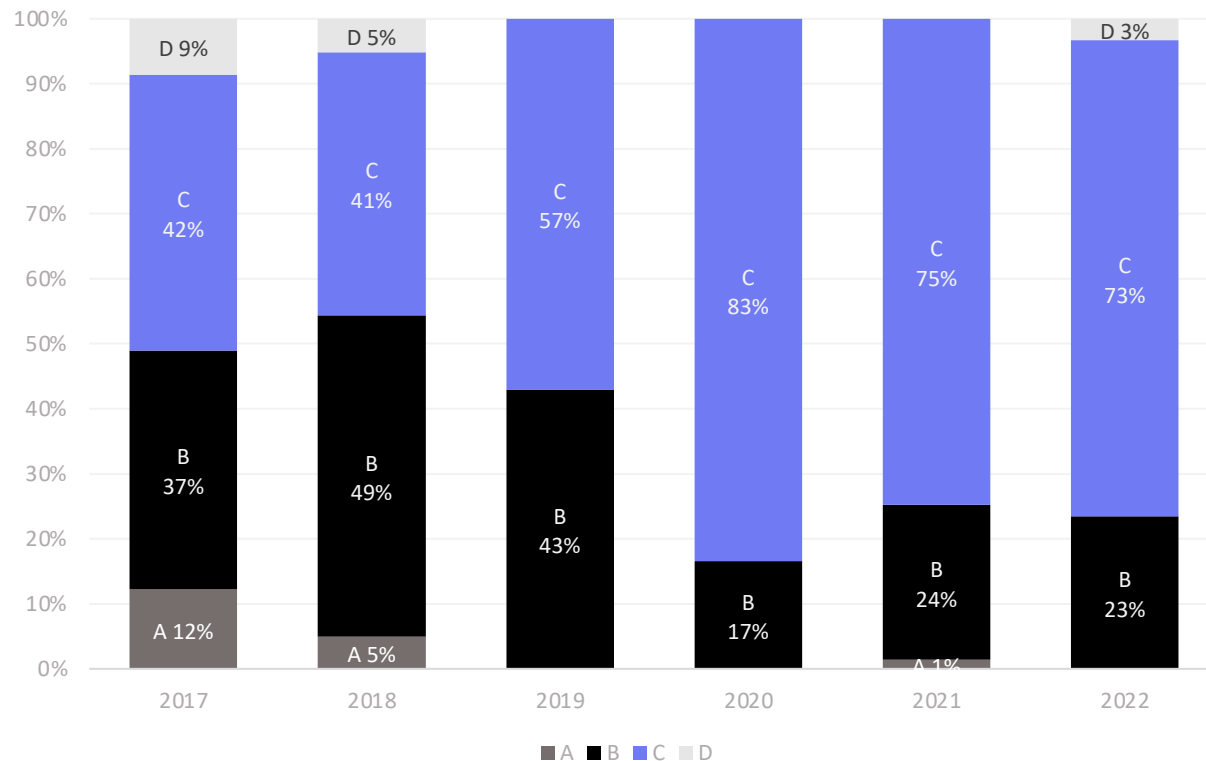
A* - lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.

A – very low risk customers. Low probability of default.

B – low risk customers. Small delays are likely, but offset by a higher interest rate.

C – medium risk customers. Higher delays and defaults are likely. This is compensated by customers paying a higher interest rate.

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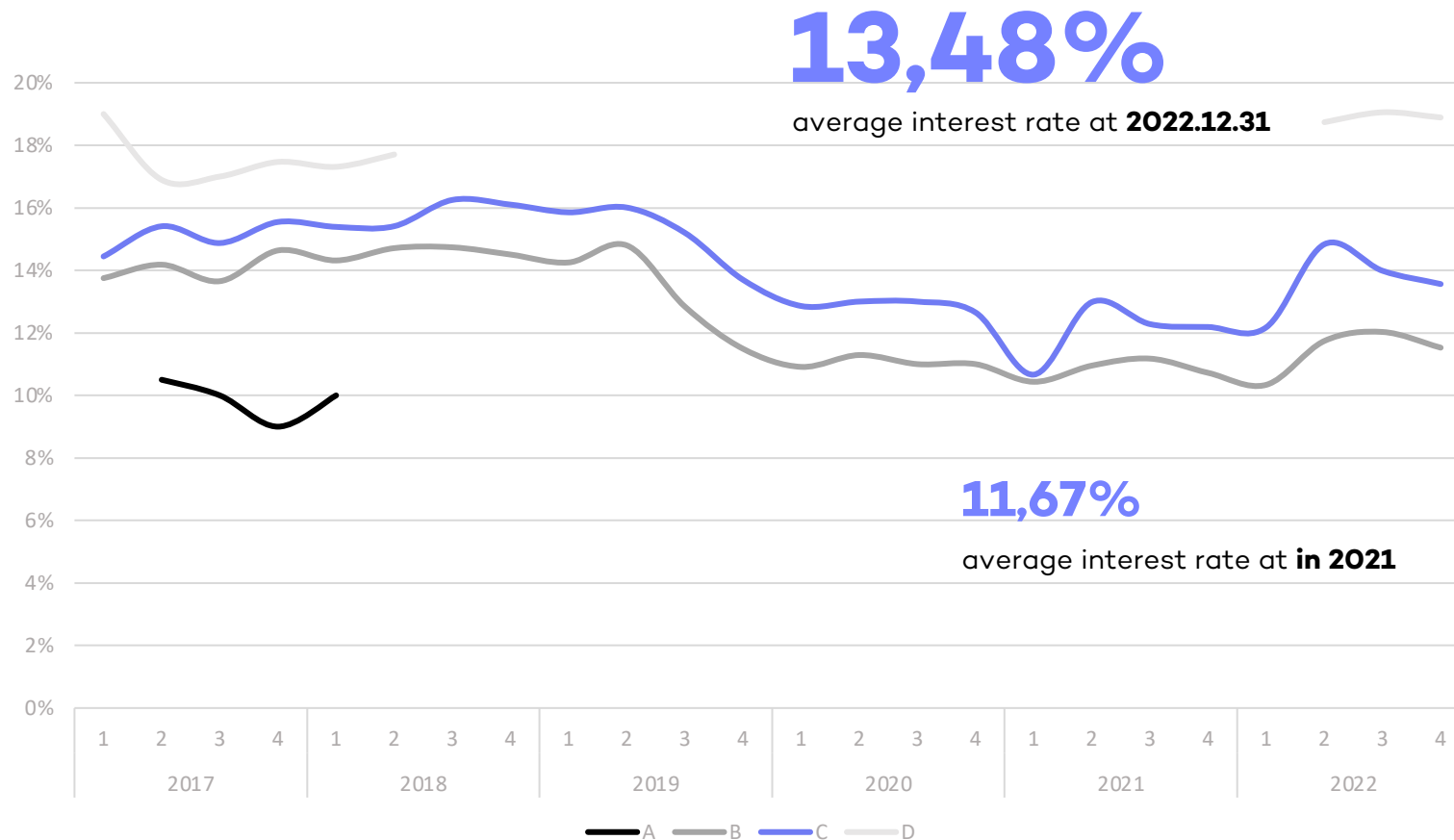
Interest rate, %

13,48%

average interest rate at **2022.12.31**

11,67%

average interest rate at **in 2021**

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Active debt prevention

In Q4:

Sent **17.803** emails and **3.850** text messages to the borrowers

Made **6.099** calls to late borrowers (including private individuals)

Terminated **30** contracts
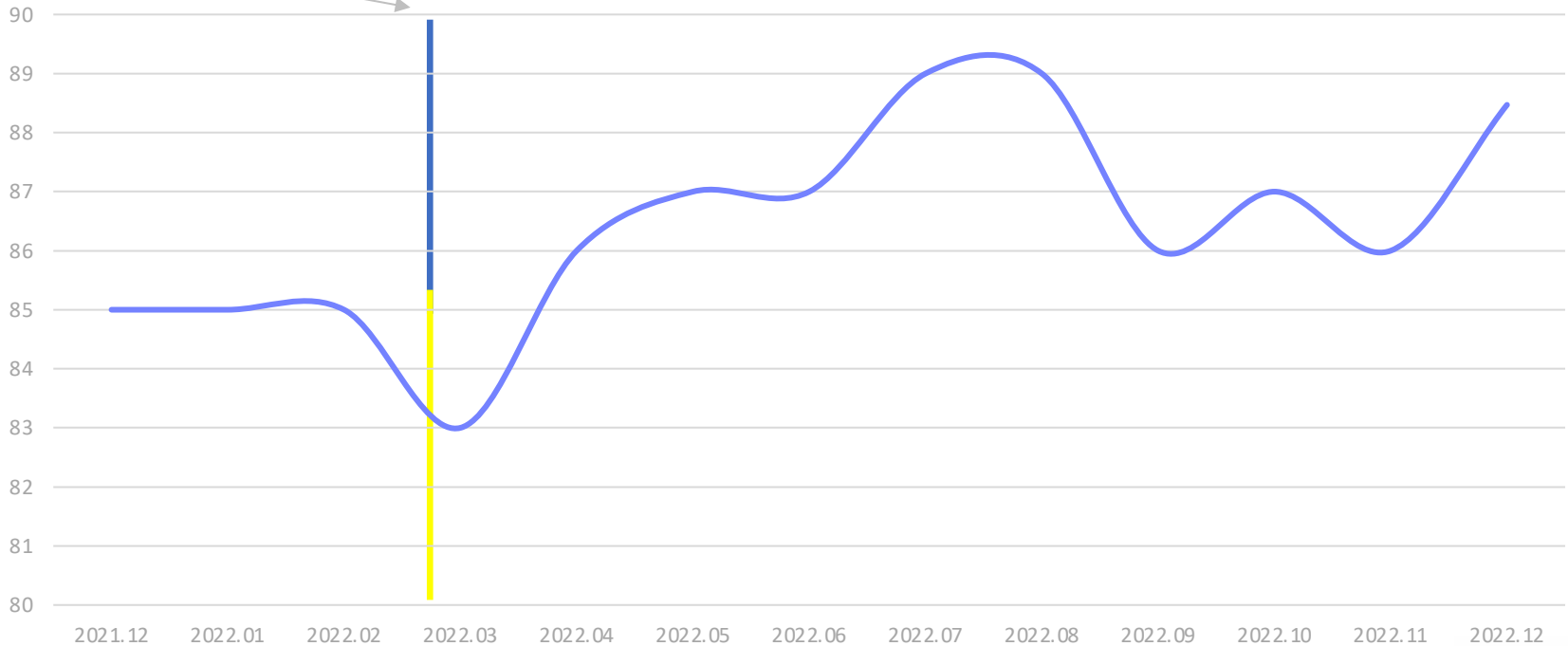
Put **23** borrowers to the court

Recovery

How do we deal with late borrowers?

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War in Ukraine impact on customer payments

Instalments paid on time, %
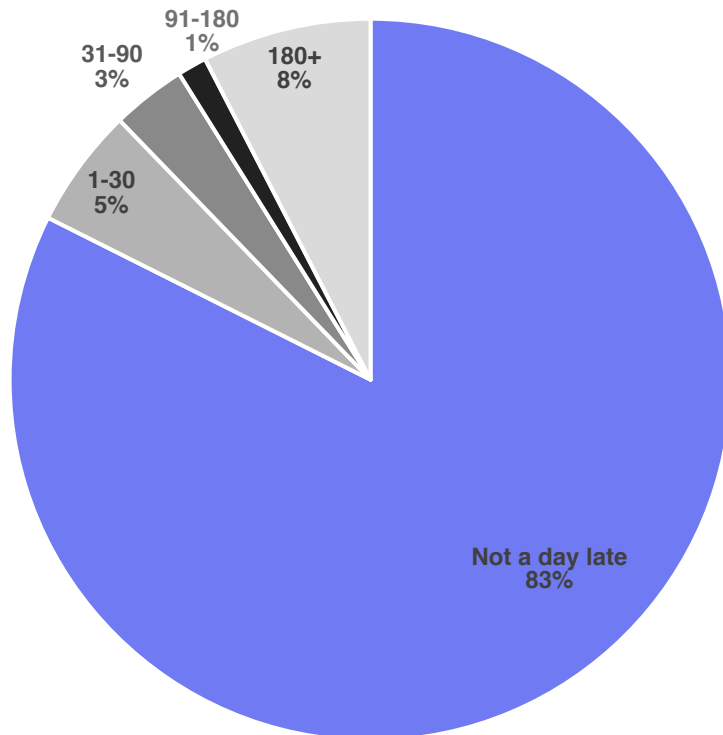
Start of war,
2022.02.24

The share of instalments paid on time has **increased** from 83-85% to **86-89%** since the beginning of war.

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Portfolio composition

by days late, units

83% borrowers not a day late
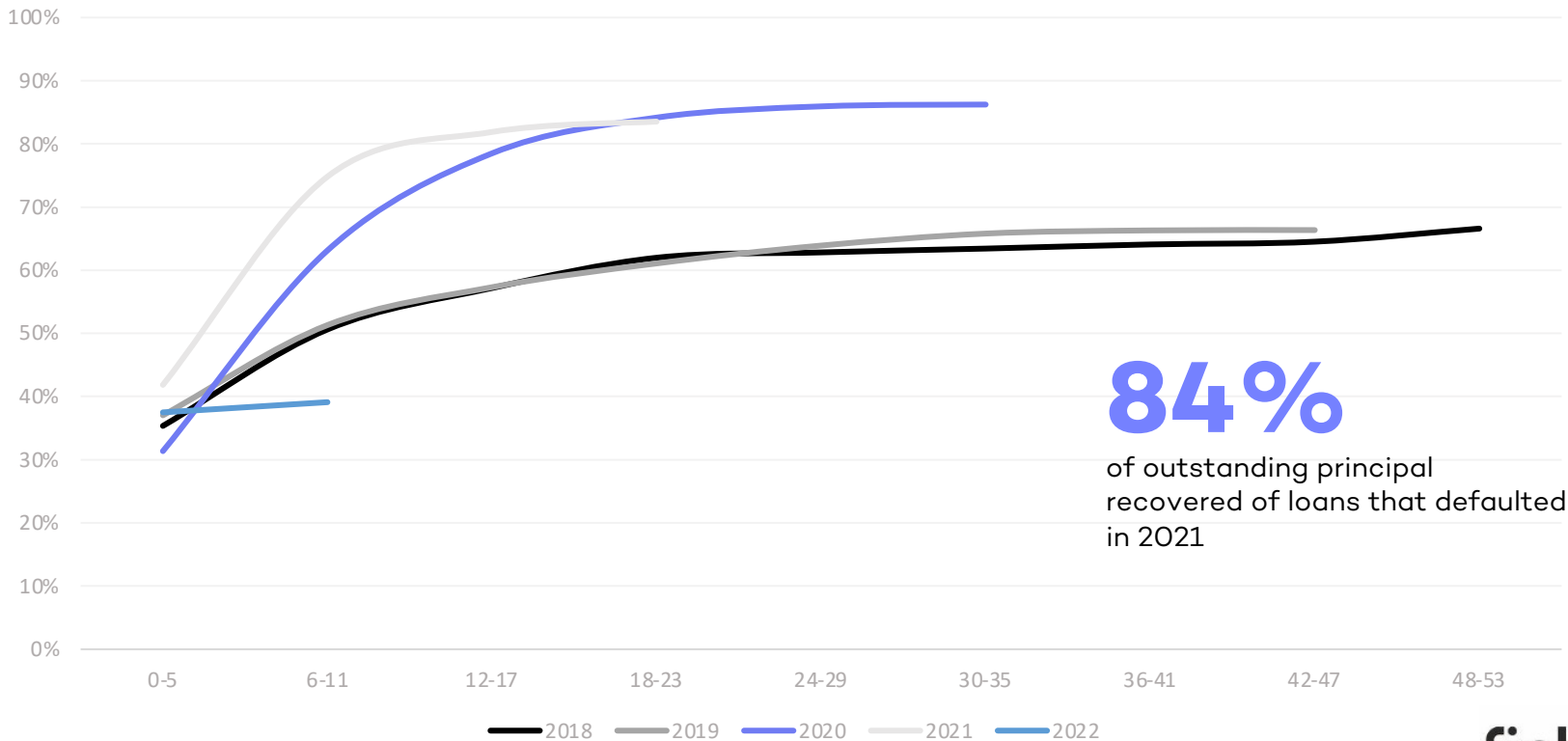
31-90
3%

91-180
1%

180+
8%

1-30
5%

Not a day late
83%

83%
not a day late

88,7%
borrowers made
a payment in
the last 30 days

3,15%
loans originated in 2022
have defaulted
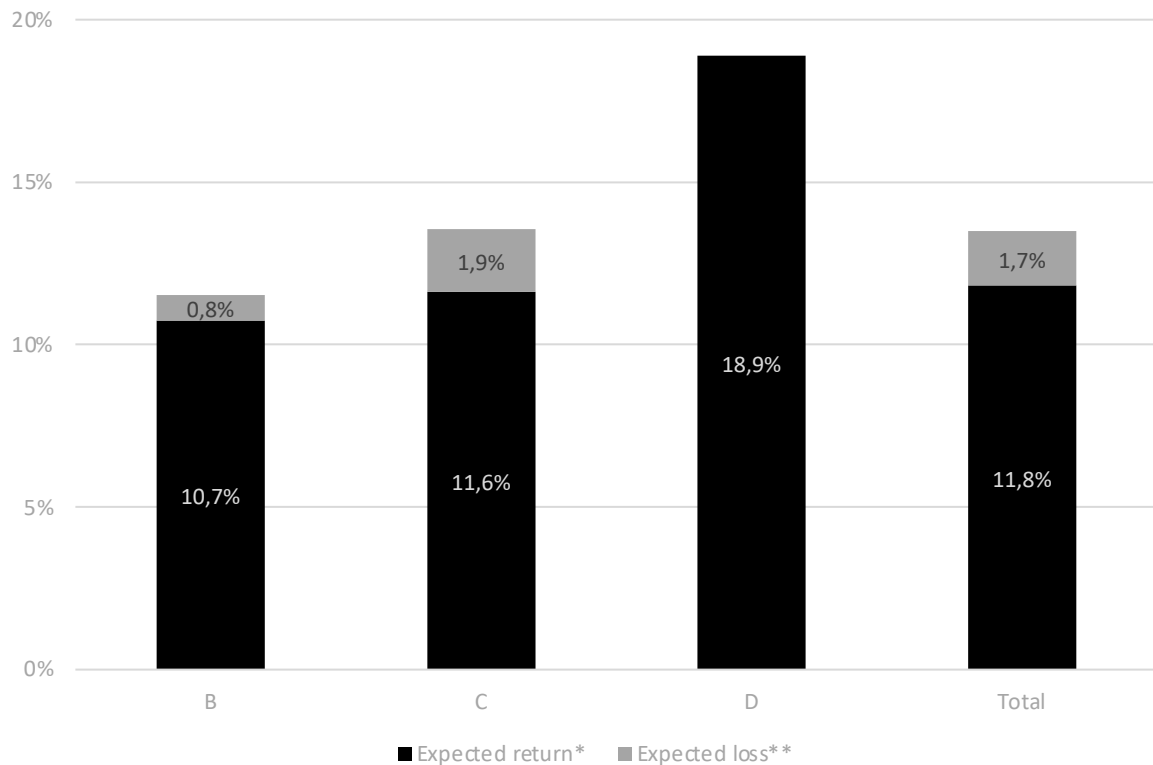
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Loans recovered

during equal number of months after the start of recovery, % of outstanding principal at default

84%

of outstanding principal recovered of loans that defaulted in 2021

Legend: — 2018 — 2019 — 2020 — 2021 — 2022

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Return on loan portfolio

12,1%

Return on business loan portfolio

* **The expected return is calculated as :** Weighted avera interest rate (%) – expected loss (%) on the original loan amount

** **Expected loss (%) = PDw x EAD x (1-RR)**

PDw: Probability of default (%) = Number of defaulted loans at origination / Number of toal loans originated

EAD: Loan balance at the date of the first default moment (%) = Loan balance at the time of default / Loan amount at origination

RR: Recovery rate, the proportion (%), that is recovered on the loan balance at the time of default = Amount recovered after default events / EAD

Chart data (Expected return* / Expected loss**):
- B: 10,7% / 0,8%
- C: 11,6% / 1,9%
- D: 18,9%
- Total: 11,8% / 1,7%

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Financial results

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Financial results in 2018 - 2021 m.

Thous. EUR	2018	2019	2020*	2021*
Revenue	**1 276**	**1 836**	**3 491**	**3 015**
Fees	1 228	1 694	3 347	2 721
Consumer	1 005	1 362	1 478	1 745
Business	223	332	1 869	975
Net interest income	-	-	20	139
Other income	47	142	125	156
Expenses	**1 225**	**1 579**	**2 431**	**2 498**
EBTDA	**51**	**257**	**1 060**	**517**
Depreciation	56	51	68	69
Income tax	1	14	141	73
Net profit (Loss)	**- 6**	**192**	**851**	**374**
Assets	**1 679**	**2 454**	**4 991**	**12 704**
Deposit account of an e-money institution	1 186	1 371	1 976	2 192
Equity	**- 310**	**- 101**	**1 087**	**1 761**
Accounts payable and other liabilities	1 988	2 554	3 904	10 943
Deposit account of an e-money institution	1 186	1 371	1 976	2 192
Net profit margin	**-0,5%**	**10,5%**	**24,4%**	**12,4%**

Veikiame pelningai ir augame

In 2022 we issued **39% more consumer** loans and **90% more business loans** compared to 2021

*Audited financial results

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Important!

Investing through crowdfunding platform, as well as investing in other financial instruments, involves risk taking. Therefore, before you start investing in loans, you must properly assess your financial situation, as well as financial situation of your family or your business, your investment experience and knowledge of risks associated with investing. If you think you do not understand the potential risks associated with the financing transaction you are making, consider contacting specialists.

Investments made through the platform are not covered by the law of deposits and liabilities to investors of Lithuanian Republic, nor is it guaranteed that the client to whom you borrowed the money will properly fulfil its financial obligations, therefore each investor assumes the risks associated with the investment when making a financing transaction on the platform, including partial or full loss of all invested funds, loss of expected profit as well as limited or no liquidity.

Finbee and Finbee Verslui does not assume any liability for losses incurred by investors but seeks to ensure the security of invested funds and the return on investment in every possible way.

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